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NEW YORK DAILY NEWS  
14 JULY 1977

## Purge Hits CIA; See Some Spies Going Into the Cold

By FRANK VAN RIPER

Washington (News Bureau)—Acting with the approval of President Carter, CIA Director Adm. Stansfield Turner is conducting a high-level purge of the spy agency, forcing his top deputy into early retirement and targeting the CIA's much-criticized clandestine operations division for a major house-cleaning.

Career intelligence executive E. Henry (Hank) Knoche, CIA deputy director, reportedly was forced to quit by Turner. The agency, however, denied in a written statement that there are any plans "for major changes in the CIA organization at this time."

But no sooner was the official statement released than Knoche himself, in a message to fellow employees, declared that "major change looms on the horizon, and properly so."

Knoche said that he decided to "step aside now to facilitate the director's task as he prepares to make decisions about new organization forms and the new kind of leadership that he will need to carry out future plans."

Turner's action appeared aimed at consolidating his position against internal sniping from agency veterans, resentful of Turner's Navy background and "hard right rudder" manner.

The last Navy man to head the intelligence agency, Adm. William Raborn, a Lyndon Johnson appointee, was the target of widespread agency backbiting throughout his brief tenure as CIA chief.

An informed source told The News: "O

One informed source told The News: "Obviously, Turner does not want to happen to him what happened to Raborn, so he has made the first move."

Yesterday afternoon, in a rare public statement, the CIA confirmed that Knoche — who last January received the highest civilian award for distinguished service — had submitted his resignation last week, effective Aug. 1.

Knoche is 52. Mandatory retirement age in the CIA is 65.

### Retirement Reports Denied

In response to questions, CIA spokesman Dennis Berend denied a report that Turner has requested the early retirement of the two top men in the division, William Wells and Theodore Shackley.

Berend would neither confirm nor deny that John McMahon, now in the administrative section of CIA but who has experience in the clandestine operations division, has been tapped to replace Knoche.

There were indications that Turner's actions ultimately could effect the top management of the clandestine operations division and result in the early retirement of as many as 20 CIA veterans.

Knoche, who served as interim CIA director until Turner took over from relations with his boss, but may have objected to Turner's plan for an apparently sweeping house-cleaning of the clandestine operations division.

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CHICAGO TRIBUNE

14 JULY 1977

# Turner begins CIA housecleaning

WASHINGTON [UPI]—CIA Director Stansfield Turner has forced his No. 1 deputy to retire and has demanded the retirement of the top command of the agency's clandestine operations department, sources said Wednesday.

The sources said Turner had requested the early retirement of E. Henry Knoche, 52, his deputy director decorated by President Carter in January for distinguished civilian service.

Turner released a statement that said:

"The director of central intelligence confirms that the deputy director of central intelligence, E. Henry Knoche, submitted his resignation to the President on July 5, effective on Aug. 11, 1977. The President has not yet nominated a successor. There are no plans for forced retirements or removals of any top CIA officials. There are no plans for major changes in the CIA organization at this time."

The sources said Knoche sent his letter to the White House, a necessary formality because he was appointed by the President and confirmed by the Senate.

WHITE HOUSE Press Secretary Jody Powell said Turner "has discussed his plans with the President, [but] not with regard to every specific change." Powell said he did not know whether Carter had received Knoche's letter.

A request for early retirement is the CIA euphemism for a demand for resignation.

The sources said Turner also asked for the early retirement of at least 20 men running the CIA's department responsible for covert operations, "dirty tricks," and undercover gathering of intelligence, including the director and his deputy. One source called it a "wholesale purge."

"This comprises about the whole headquarters command of that section, which is not large," the source said. "Almost all are senior officers."

KNOCHE, A FORMER navy veteran of World War II and Korea, joined the CIA in 1953 and was confirmed as deputy to CIA Director George Bush on June 30, 1976. Bush, an appointee of President

Gerald Ford, resigned after Carter was elected.

Before Turner took over in February, Knoche ran the CIA as acting director.

The sources said John Mahon, now in the CIA's administrative section and a former member of the clandestine directorate, has been selected by Turner to replace Knoche.

The exact reasons for Knoche's forced early retirement were not clear, but a pattern was evident in the intended sweep by Turner of the Clandestine Operations Directorate.

HE REQUESTED the early retirement of William Wells and Theodore Shackley, the two top men in the Deputy Directorate of Operations—the CIA branch handling clandestine operations. Both are agency veterans and one unconfirmed report said they are resisting the pressure to retire.



E. HENRY KNOCHE  
... No. 2 man at CIA

## No. 2 man leaving CIA next month

Washington (AP)—The No. 2 man at the Central Intelligence Agency has resigned effective next month, amid reports he was forced out by President Carter's new CIA director.

Adm. Stansfield Turner, the CIA director, confirmed through a spokesman that E. Henry Knoche submitted his resignation to President Carter July 5. The resignation is effective August 1.

The CIA spokesman would not comment on news reports that the 24-year agency veteran was forced to retire by Admiral Turner.

But an official statement attempted to discount the reports that a major wave of firings was imminent at the agency.

"There are no plans for forced retirements or removals of any top CIA officials. There are no plans for major changes in the CIA organization at this time," the statement said.

Mr. Knoche, 52, was named to the second spot at the CIA by President Ford in 1976. Under an executive order issued by Mr. Ford, Mr. Knoche was in charge of the CIA's day-to-day operations.

At a February, 1977, news conference, Mr. Carter said that Mr. Knoche was "very competent." Mr. Knoche was acting director of the CIA at the time, filling in between the resignation of George Bush as CIA chief and Admiral Turner's confirmation.

At his confirmation hearings, Mr. Knoche said the CIA is "an instrument of foreign policy" with major decisions made by "higher authority."

"We are not the judges of when we employ covert action," he told the Senate intelligence committee last June.

Mr. Knoche also told the committee that he would not carry out an order he considered illegal or improper. He said he would do one of three things:

"Resign, go public, or come quietly to the committee."

At the White House, the presidential press secretary, Jody Powell, referred re-

porters to the CIA's statement about Mr. Knoche's resignation and said of the reports of further ones, "I think the reports are exaggerated."

In a statement of his own to CIA employees issued late yesterday afternoon, Mr. Knoche called his resignation "a most difficult decision." And he referred to changes to come at the CIA.

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THE WASHINGTON STAR (GREEN LINE)

14 JULY 1977

*Turner Denies Major Shuffle***Top CIA Aide Resigns  
In Dispute Over Policy**

By Nicholas M. Horrock

New York Times News Service

Adm. Stansfield Turner, director of central intelligence, has announced the resignation of his top aide, E. Henry Knoche, who, senior Carter administration sources said, had sharp policy differences with the admiral.

The abrupt resignation, which was submitted by letter July 5, revived reports that Turner was having difficulty dealing with sagging employee morale in the agency, and that he had had several disputes with the professional intelligence officers who form the management of the agency.

Word of Knoche's resignation had spread in Washington before Turner's announcement yesterday, and was followed by unconfirmed reports that the admiral was trying to force several senior members of the agency's covert operations section into early retirement.

But Turner denied such reports, saying:

"THERE ARE NO plans for forced retirements or removals of any top CIA officials. there are no plans for major changes in the CIA organization at this time."

But Knoche, who has been with the CIA for 24 years and received the nation's highest award for distinguished civil service in January, indicated in a statement to the staff that changes were coming.

"We have successfully come through some difficult times together in recent years," he said. "More change looms on the horizon, and properly so. Dealing with these challenges will be an exciting task."

"But in the end, having weighed all the factors, I concluded that it would be in the best interests of the agency and the nation's intelligence effort if I stepped aside now to facilitate the director's task as he prepares to make decisions about new organizational forms and the kind of new leadership that he will need to carry out his future plans."

Intelligence officers said privately that Knoche found his decisions in-



E. HENRY KNOCHE  
"Best... If I step aside"

—UPI

creasingly countermanded by Turner and that his access to and relationship with the admiral were extremely formal and difficult. "The situation deteriorated to the point where I think he felt it served no purpose to try to remain at his post," a close associate of Knoche said.

KNOCHE, A TALL, lanky soft-spoken professional intelligence analyst, had gained widespread respect at the White House and on Capitol Hill for his handling of the massive investigations the CIA underwent for the past two years. He was regarded in the agency as part of a "new breed" of executives, less committed to covert operations and other agency swashbuckling and more to the presentation of accurate and professional intelligence estimates to the President.

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THE CHRISTIAN SCIENCE MONITOR  
14 JULY 1977

# **Turner forcing changes in CIA top brass**

Washington

CIA director Stansfield Turner has forced his No. 1 deputy into early retirement and is making a "wholesale purge" of the spy agency's clandestine operations branch, sources told UPI Wednesday.

The sources said deputy director E. Henry Knoche already has offered his resignation to President Carter, ending 24 years in the Central Intelligence Agency.

They said Admiral Turner is seeking early retirement from at least 20 members of the CIA's clandestine operations section, including the two top men in it — William Wells and Theodore Shackley.

While the CIA had no immediate comment on the reports, White House press secretary Jody Powell said Mr. Turner "has discussed his plans with the President, but not with regard to every specific change."

# Turner Reported Shaking Up CIA

By Daniel F. Gilmore  
United Press International

CIA Director Stansfield Turner has forced the early retirement of his No. 1 deputy and is moving against some 20 top members of the agency's clandestine operations department, informed sources said today.

There was no official confirmation from the CIA itself.

The sources said that Adm. Turner, in what appeared to be a major reshuffle, had requested the resignation via early retirement of E. Henry (Hank) Knoche, his 52-year-old deputy, who only in January received President Carter's highest civilian award for distinguished civil service.

Knoche, a former navy veteran of World War II and Korea, joined the CIA in 1953 and was confirmed as deputy to CIA Director George Bush

June 30 of last year. Bush, an appointee of former President Gerald R. Ford, resigned after Carter was elected.

KNOCHE RAN the CIA as acting director in the interim before Turner took over in February.

The sources said Knoche has already tendered his resignation to Carter, a formality required since the post of deputy CIA director is by presidential nomination and also requires Senate approval.

The sources said that John McMahon, now in the administrative section of CIA but who also formerly was in the clandestine directorate, has been selected by Turner to replace Knoche.

The exact reasons for Knoche's forced early retirement were not clear but a pattern was evident in the

intended sweep by Turner of the Clandestine Operations Directorate.

He requested the early retirement of William Wells and Theodore Schakley, the two top men in the Deputy Directorate of Operations — the CIA branch that handles clandestine operations. Both are agency veterans and one unconfirmed report said they are resisting the pressure to retire.

In addition some 20 members of the directorate were in effect asked to resign via the early retirement route.

IF CONFIRMED, the scope of the move would be reminiscent of wholesale "early retirements" ordered by James R. Schlesinger when he served for a few months as CIA director in 1973 after Richard M. Helms was removed in the first wave

of exposures of questionable activities by the agency both at home and abroad.

Until Knoche is formally replaced, Turner will be without a chief deputy.

Adm. Daniel J. Murphy, who had been a deputy director since March 1976, was recently transferred to the Pentagon as staff adviser on intelligence to Defense Secretary Harold Brown.

Turner, a former Naval Academy classmate of Carter, insisted on and succeeded in retaining his admiral's rank when he accepted the President's nomination as intelligence chief.

Until the current changes Turner had moved cautiously in reorganizing the CIA.